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FORM NO. 7-79 **238** USE PREVIOUS EDITIONS

# DOCUMENT CONTROL

(13-40) MFG 7-81

| SEC. CL. | ORIGIN | CONTROL NO. |
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| - | Personnel | OTE-86-9178 |

| DATE OF DOC | DATE REC'D | DATE OUT | SUSPENSE DATE | CROSS REFERENCE OR POINT OF FILING |
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| 28 Jul 86 | 30 Jul 86 | | | |

TO Director of Trianing and Education

STAT

SUBJ. SSCI Hearing - 23 July 1986

Pink routing w/att.

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| EXO | |
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# ROUTING AND RECORD SHEET

SUBJECT: (Optional)
DCI Testimony to the Senate Select Committee on Intelligence

FROM:
STAT
O-D/OTE
1026 CofC

EXTENSION

NO.

DATE
5 August 1986

| TO: (Officer designation, room number, and building) | DATE RECEIVED | DATE FORWARDED | OFFICER'S INITIALS | COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.) |
|---|---|---|---|---|
| 1. EXO<br>DD/OTE<br>D/OTE | | | | Please see that all your managers read this. Thank you. |
| 2. ADC | | | | |
| 3. C/AD | | | | |
| 4. C/TSD | | | | |
| 5. D/CSI | | | | |
| 6. C/LTD | | | | |
| 7. C/LDD | | | | |
| 8. C/SACTD | | | | |
| 9. C/ITD | | | | |
| 10. C/ISTD | | | | |
| 11. C/CTD | | | | |
| STAT 12. | | | | |
| 13. | | | | |
| 14. | | | | |
| 15. C/PEDS | | | | |

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5 August 1986

MEMORANDUM FOR: All OTE Managers

STAT FROM: [redacted]
Director of Training and Education

SUBJECT: DCI Testimony to The Senate Select Committee on Intelligence

1. There is considerable food for thought in the attached testimony of the DCI before the Senate Select Committee on Intelligence.

2. Training clearly is a major player, and it is up to us to help define the training agenda for the Agency.

3. There is opportunity in this undertaking for us to reach out in a new direction, or to gain support for the initiatives already on the drawing board.

4. I invite your reactions and your ideas, and those of your people.

STAT [redacted]

Attachment:

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# ROUTING AND RECORD SHEET

SUBJECT: (Optional)

OTE REGISTRY
86-9178

STAT FROM: [redacted]
STAT C/PB/P&RS/PA&E/OP [redacted]

EXTENSION [redacted]

NO.

DATE 28 July 1986

| TO: (Officer designation, room number, and building) | DATE RECEIVED | DATE FORWARDED | OFFICER'S INITIALS | COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.) |
|---|---|---|---|---|
| 1. ~~D/OTE~~ 936 ~~C of~~ C | | | | Per telecon - attached is Mr. Casey's spoken and written testimony for the record to the SSCI last week. The DCI and DDA met over the weekend and determined that briefing HPSCI was essential, so the same type of briefing to the HPSCI staff is being arranged this week. My discussions with Messrs. [redacted] indicate that your strategy for OT&E, the Human Resources Task Force proposals, and Mr. Casey's National Personnel Intelligence Strategy all seem closely aligned. Ed will keep you informed. |
| 2. ADC | 7/30 | 7/30 | K | |
| 3. DDTE | 7/30 | | DCM | |
| 4. STAT DTE | | | 4 | |
| 5. STAT [redacted] | | | | |
| 6. ADC - Copy please | | | | |
| 7. STAT | | | | |
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ES- 3249/7

23 July 1986

MEMORANDUM FOR: Executive Director
Deputy Director for Administration
Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science and Technology
Director of Personnel

FROM: Director of Central Intelligence

SUBJECT: SSCI Hearing - 23 July 1986

Attached is the statement I made today before the SSCI on personnel management.

I want to move out on this immediately. You should begin now to articulate and schedule the steps I said we are going to take.

William J. Casey

Attachment:
As stated

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FINAL

DCI TESTIMONY
SENATE SELECT COMMITTEE ON INTELLIGENCE
23 JULY 1986
CIA PERSONNEL MANAGEMENT

IT IS A PLEASURE FOR US TO BE HERE TODAY TO TALK ABOUT ASPECTS OF PERSONNEL MANAGEMENT IN THE INTELLIGENCE COMMUNITY.

STAT [redacted] EXECUTIVE DIRECTOR OF DIA, [redacted] DEPUTY DIRECTOR FOR ADMINISTRATION FOR NSA, AND SECRETARY MORTON ABRAMOWITZ FOR INR WILL ADDRESS PERSONNEL NEEDS AND INITIATIVES IN THEIR ORGANIZATIONS. I WILL COMMENT GENERALLY ON THE COMMUNITY AND ADDRESS DEVELOPMENTS IN CIA MORE SPECIFICALLY. IN AN AGE OF HIGH TECHNOLOGY, IT IS EASY TO LOSE TRACK OF THE FACT THAT INTELLIGENCE IS A MANPOWER INTENSIVE BUSINESS.

WHEN I CAME TO THIS JOB I FOUND AN ENTHUSIASTIC, DEDICATED AND, ABOVE ALL, HIGHLY TALENTED WORKFORCE. THEY WERE STRETCHED DANGEROUSLY THIN FROM THE CUTS OF THE LATE 1970s, BUT THE SENSE OF DAILY CHALLENGE AND FULFILLMENT THEY GOT FROM THEIR WORK WAS AN INSPIRATION. WITH YOUR SUPPORT, THEIR RANKS HAVE BEEN REBUILT AND THEY HAVE OBTAINED THE RESOURCES THEY NEEDED AND DESERVED.

OUR PERSONNEL SYSTEM HAS SERVED US WELL AND HAS MANY STRENGTHS. IT ACCOMPLISHES OUR MOST FUNDAMENTAL GOAL, DEVELOPING PEOPLE WHO ARE EXPERTS IN THEIR FIELDS AND DEEPLY COMMITTED TO OUR MISSION. BY AND LARGE OUR EMPLOYEES SAY

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OUR PERSONNEL SYSTEM IS FAIR. EACH INDIVIDUAL CAN MAKE A DIFFERENCE AND GOOD PERFORMANCE IS REWARDED. TODAY, WE ARE FOCUSING ON MAKING OUR MIX OF TALENT AND EXPERIENCE MESH BETTER WITH THE LANGUAGES AND THE CULTURES AND THE NATURE OF THE PROBLEMS AND THREATS WE MUST DEAL WITH.

THE WORLD IS CHANGING. WE NEED TO CHANGE WITH IT. WE MUST SEE THAT OUR INTELLIGENCE COMMUNITY DOES NOT SUFFER THE MIDDLE AGE MALAISE THAT MANY ORGANIZATIONS EXPERIENCE. WE MUST ANTICIPATE KEY FORCES WHICH WILL SHAPE OUR PERSONNEL NEEDS FOR THE FUTURE.

-- WE NEED A LARGER PERCENTAGE OF EXPERTS IN OUR WORK FORCE, EXPERTS WHO HAVE HIGHLY MARKETABLE SKILLS ON THE OUTSIDE.

-- WE FACE INTENSE COMPETITION FROM THE PRIVATE SECTOR, AND PARTICULARLY FROM BELTWAY CORPORATIONS WITH WHOM WE DO BUSINESS AND WHO INCREASINGLY CAN ATTRACT OUR PEOPLE.

-- THE RATE OF CHANGE IN SOME SKILL AREAS IS SO HIGH THAT CONSTANT, CONTINUING RE-EDUCATION IS IMPERATIVE.

-- WE SEE INCREASING NUMBERS OF VERY TALENTED BUT INEXPERIENCED AND SOMETIMES IMMATURE YOUNG PEOPLE. THE LACK OF MILITARY EXPERIENCE IN OUR RECRUITS, FOR EXAMPLE, SHOWS.

-- TANDEM COUPLES AND SINGLE-PARENT FAMILIES ARE A FACT OF LIFE. WE MUST ADJUST TO THEM OR WATCH OUR RECRUITMENT PROBLEM GROW.



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TODAY WE FIND MORE AREAS DENIED TO US. WE HAVE TO COPE WITH RELATIVELY NEW AND RAPIDLY INTENSIFYING THREATS OF TERRORISM, NARCOTICS SMUGGLING, ARMS TRAFFICKING, INSURGENCIES AND COUNTER-INSURGENCIES. THIS IS HEAVILY CONCENTRATED IN LATIN AMERICA, THE MIDDLE EAST, THE INDIAN SUBCONTINENT, SOUTHERN AFRICA, AND THE GREAT PACIFIC ARENA. HERE WE ARE REQUIRED TO WORK WITH LANGUAGES AND CULTURES WHICH UNTIL RECENTLY OCCUPIED ONLY A RELATIVELY SMALL PORTION OF OUR PEOPLE. WE MAY WELL BE DENIED ACCESS TO STILL OTHER AREAS.

THE TERRORISTS AND SOME OF THESE OTHER THREATS HAVE BURGEONED SO RAPIDLY THAT WE CAN'T AFFORD FOUR TO FIVE YEARS TO DEVELOP YOUNG OFFICERS TO HELP US COPE WITH THEM. TO MEET THIS NEW CHALLENGE, WE ARE REACHING OUT TO RECRUIT, TRAIN AND USE MORE PEOPLE WHO BRING WITH THEM THE LINGUISTIC AND CULTURAL APTITUDES RELEVANT TO THESE NEW THREATS. WE ARE REACHING OUT FOR PEOPLE WHO HAVE THE BACKGROUND AND EXPERIENCE TO SUCCESSFULLY LIVE, VISIT OR TRAVEL IN AREAS IN WHICH WE HAVE NOT HAD TO BE SO ACTIVE IN EARLIER YEARS. FOR A BROADER BLEND OF PEOPLE, WE ARE REACHING OUT FOR PEOPLE TEN TO FIFTEEN YEARS OLDER THAN THOSE WE HAVE TRADITIONALLY SOUGHT TO BRING ON DUTY. THIS SHIFTING OF GEARS IS URGENT AND CRITICAL. IT CALLS FOR NEW DEPARTURES AND BOLD INNOVATIONS IN OUR RECRUITING, TRAINING, COMPENSATION, AND GENERAL PERSONNEL MANAGEMENT.



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HISTORICALLY, EVEN WITH THE SPECIAL AUTHORITIES GRANTED THE DIRECTOR OF CENTRAL INTELLIGENCE BY LAW, WE HAVE GENERALLY WORKED WITHIN THE BROAD FRAMEWORK OF THE OVERALL FEDERAL PERSONNEL STRUCTURE. THE PRESIDENT HAS FOUND THE GOVERNMENT'S PRESENT COMPENSATION SYSTEM INFLEXIBLE AND OUT OF DATE. AS YOU KNOW, THE OFFICE OF PERSONNEL MANAGEMENT JUST FORWARDED TO THE CONGRESS MAJOR PROPOSALS FOR SIMPLIFYING THE FEDERAL PERSONNEL SYSTEM. WE TOO BELIEVE IT IS TIME FOR CHANGE. WE ARE EXPERIENCING SEVERAL PROBLEMS:

-- TODAY'S SYSTEM DOESN'T FACILITATE LATERAL ENTRY.

-- WE CANNOT ADJUST BENEFITS TO SUIT EMPLOYEE AGE OR CIRCUMSTANCES.

-- OUR ABILITY TO REWARD PERFORMANCE IS NOT NEARLY SO WELL STRUCTURED AND DEVELOPED AS OUR ABILITY TO REWARD LONGEVITY.

-- THE PROCESS RELATING SALARY AND BENEFIT STRUCTURE TO MARKET FORCES (PARTICULARLY IN HIGH-DEMAND, SPECIALIZED SKILL AREAS) IS PONDEROUS.

WE HAVE ALREADY BEGUN THE PROCESS OF ADJUSTING OUR COMPENSATION SYSTEM TO MEET THE CHALLENGES WE FACE. WE ARE ALREADY INTRODUCING INNOVATIONS INCLUDING:

-- SPECIAL AGENCY-SPECIFIC PAY SCHEDULES FOR SCIENTISTS, ADP PROFESSIONALS, ENGINEERS, AND MEDICAL OFFICERS;



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-- A PAY BANDING EXPERIMENT IN OUR OFFICE OF COMMUNICATIONS;

-- A NEW SECRETARIAL CAREER AND PAY SYSTEM WITH FOUR BROAD PAY LEVELS, MODIFIED PAY FOR PERFORMANCE, JOB ENRICHMENT AND SIGNIFICANTLY INCREASED TRAINING;

-- NON-SUPERVISORY SPECIALIST TRACKS FOR A LIMITED NUMBER OF PROFESSIONS AND POSITIONS;

-- OVERSEAS PAY THAT IS 9.6% HIGHER THAN DOMESTIC; AND

-- AN EMPLOYEE SPOUSE PROGRAM FACILITATING JOINT ASSIGNMENTS AS WELL AS GUARANTEEING REEMPLOYMENT AT CURRENT GRADE ON RETURN TO DUTY WHEN JOINT ASSIGNMENTS CANNOT BE ARRANGED.

NOW LET ME TELL YOU SOME OF THE OTHER STEPS I BELIEVE WE NEED TO TAKE:

-- WE NEED TO ADJUST OUR PAY SYSTEM TO ACCOUNT FOR THE PROBLEMS I ENUMERATED EARLIER, PARTICULARLY TO BETTER RELATE PERFORMANCE AND COMPENSATION. WE NEED TO EXPAND OUR EXPERIENCE WITH PAY BANDING IN THE OFFICE OF COMMUNICATIONS AND OUR NEW SECRETARIAL CAREER SYSTEM TO MOST, PERHAPS ALL, OF OUR WORK FORCE. (WE HAVE NOT HAD A CHANCE TO STUDY THE NEW OPM PROPOSAL IN DETAIL, BUT WE BELIEVE MANY OF THEIR IDEAS TO BE PARALLEL TO OURS.)



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-- WE NEED TO MAKE EXTENSIVE CHANGES IN OUR PERSONNEL STRUCTURE TO ALLOW US TO MORE ADEQUATELY REWARD EXPERTS AS OPPOSED TO MANAGERS. WE NEED TO PROVIDE A WAY FOR TECHNICAL AND SUBSTANTIVE EXPERTS WHO DO NOT GO INTO MANAGEMENT TO CONTINUE TO BE RECOGNIZED AND REWARDED SO THAT THEY STAY WITH CIA AND HELP US WITH THE INCREASINGLY COMPLEX COLLECTION AND ANALYTICAL PROBLEMS WE FACE.

-- WE NEED TO RETHINK THE CURRENT SET OF INCENTIVES, ALLOWANCES, AND OTHER BENEFITS SO THAT WE CAN OFFER A BROAD, FLEXIBLE COMPENSATION PACKAGE THAT RECOGNIZES THAT THE NEEDS OF OUR EMPLOYEES VARY AT DIFFERENT STAGES OF THEIR LIVES AND CAREERS.

-- WE NEED TO REFOCUS OUR TRAINING PROGRAMS AND DEVOTE MORE OF OUR RESOURCES TO THEM, BOTH TO BRING NEW EMPLOYEES UP TO SKILL AND MATURITY LEVELS THEY DO NOT HAVE WHEN THEY JOIN US AND TO HELP MANY OF OUR EXPERIENCED PEOPLE REFRESH THEIR SKILLS AND UPDATE THEIR KNOWLEDGE IN THEIR FIELDS.

-- WE NEED TO TAKE FURTHER STEPS TO ENHANCE MANAGEMENT AND LEADERSHIPS SKILLS OF THE PEOPLE ENTRUSTED WITH THESE RESPONSIBILITIES. WE LONG AGO REALIZED THAT IN MANY CASES WE CANNOT PAY EMPLOYEES WHAT THEY MIGHT EARN IN THE PRIVATE SECTOR. OUR ABILITY TO ATTRACT AND RETAIN PEOPLE RESTS STRONGLY ON OUR ABILITY TO LEAD AND MANAGE THEM IN WAYS WHICH CONSTANTLY REINFORCE THE EXCITEMENT AND CHALLENGE OF OUR PROFESSION.



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THE CULTURE IN OUR INTELLIGENCE COMMUNITY HAS FOSTERED OVER THE YEARS A LEVEL OF DEDICATION AND ENTHUSIASM WHICH I HAVE NOT SEEN IN ANY OTHER ORGANIZATION. WE MUST SEE THAT THIS SPIRIT IS SUSTAINED AND STRENGTHENED AS WE FACE THE UNPRECEDENTED CHALLENGES I SET FORTH FOR YOU IN MY NATIONAL INTELLIGENCE STRATEGY. OUR IMPORTANT AND EXCITING MISSION ATTRACTS PEOPLE TO US. WE HAVE TO PROVIDE THE FRAMEWORK FOR ACCOMPLISHMENT AND FULFILLMENT, AND RECOGNITION THAT KEEPS THEM HERE. WE LOOK FORWARD TO WORKING WITH YOU TO IMPROVE THE MANAGEMENT OF OUR MOST IMPORTANT RESOURCE SO THAT WE CAN CONTINUE TO PROVIDE OUR COUNTRY WITH THE BEST INTELLIGENCE PROFESSIONALS IN THE WORLD.



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DCI STATEMENT FOR THE RECORD

SENATE SELECT COMMITTEE ON INTELLIGENCE

23 JULY 1986

CIA PERSONNEL MANAGEMENT

AS I LOOK AT PERSONNEL AT CIA, I FIND A YOUNG, VIGOROUS AND TALENTED WORK FORCE PLEASED BY CUSTOMER RESPECT FOR THEIR PRODUCT AND CHALLENGED DAILY TO ACCOMPLISH TASKS PREVIOUSLY THOUGHT IMPOSSIBLE. MORALE IS HIGH. AS A

25X1 SNAPSHOT IN TIME, I WOULD SAY THE ORGANIZATION IS IN A VERY HEALTHY STATE.

DESPITE ALL OF THIS, IT HAS BEEN A PARTICULAR CONCERN OF MINE, AS THE CIA NEARS ITS FOURTH DECADE, TO AVOID THE SORT OF ORGANIZATIONAL MIDDLE AGE WHICH COMES TO MOST INSTITUTIONS, A KIND OF BUREAUCRATIC HARDENING OF THE ARTERIES CHARACTERIZED BY THE GROWTH OF RED TAPE AND OVERREGULATION AND BY A LOSS OF

25X1 CREATIVITY AND INITIATIVE.

OVER THE PAST COUPLE OF YEARS, WE HAVE PAID INCREASING ATTENTION TO OUR PERSONNEL SYSTEMS TO ENSURE THAT WE WERE CREATING AN ENVIRONMENT WHICH CONTINUED TO ENCOURAGE OUR EMPLOYEES TO WORK TO THEIR FULLEST POTENTIAL AND CAPACITY AND WHICH PERPETUATED THE SENSE OF COMMITMENT AND DEDICATION WHICH LONG HAS BEEN A HALLMARK OF CIA'S CORPORATE CULTURE. WE CUT THROUGH SOME OF THE RED TAPE WHICH HAD DEVELOPED AND TOOK STEPS TO REMOVE CERTAIN OF THE IRRITANTS AND IMPEDIMENTS WHICH HAD CREPT INTO OUR SYSTEM. THIS PROCESS OF SCRAPING THE BARNACLES OFF OUR CURRENT PERSONNEL SYSTEM IS CONTINUING BUT IT

25X1 IS MY BELIEF THAT MORE FUNDAMENTAL CHANGES NEED TO BE CONSIDERED.

25X1


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INDEED, I WOULD SUBMIT HERE TODAY THAT WHAT WE NEED IS AN INTELLIGENCE PERSONNEL STRATEGY TO ENSURE THAT WE CAN CONTINUE TO HAVE AND RETAIN THE BEST INTELLIGENCE CADRE INTO THE 21ST CENTURY. AS I MENTIONED IN THE NATIONAL FOREIGN INTELLIGENCE STRATEGY PRESENTED TO YOU IN FEBRUARY OF THIS YEAR, WE MUST CONSTANTLY STRIVE TO ENHANCE THE QUALITY AND MOTIVATION OF OUR WORK FORCE. WE HAVE IMPLEMENTED THE MOST IMPRESSIVE ARRAY OF TECHNICAL CAPABILITIES IN THE WORLD. BUT, TO GET WHAT WE SHOULD OUT OF THEM, WE COUNT ON PEOPLE WHO CONCEIVE THEM, INTERPRET AND USE THEIR PRODUCTS, AND PROVIDE SUPPORT TO THE ENTIRE INTELLIGENCE PROCESS. THE EFFECT OF CHANGES IN FEDERAL PERSONNEL POLICIES ON OUR ABILITY TO RETAIN TALENTED AND PROMISING CAREERISTS MUST BE CAREFULLY MONITORED AND NEW FORMULATIONS FOUND TO PREVENT THE APPEAL

25X1 OF AN INTELLIGENCE CAREER FROM DETERIORATING.

AT CIA, I ALREADY HAVE A TASK FORCE HARD AT WORK ON THIS ISSUE AND I AM AWARE OF OTHER INITIATIVES WITHIN THE COMMUNITY. IT IS, THEREFORE, A GREAT PLEASURE FOR ME TO BE HERE TODAY TO SHARE WITH YOU OUR VISION OF THE FUTURE AS YOU BEGIN TO STUDY PERSONNEL ISSUES IN THE INTELLIGENCE COMMUNITY. I AM CONFIDENT THAT AS A RESULT OF OUR JOINT AND COOPERATIVE EFFORTS WE WILL DEVELOP THE PROGRAMS AND STRATEGIES WHICH WILL KEEP OUR INTELLIGENCE PROFESSION AT THE CUTTING EDGE IN THE COLLECTION AND ANALYSIS OF INFORMATION

25X1 NEEDED TO INFORM THE POLICY PROCESS AND PROTECT OUR NATIONAL SECURITY.

I WANT TO TAKE A FEW MOMENTS TO SET FORTH CERTAIN GUIDING PRINCIPLES, TO TRACE THE CONSERVATIVE EXERCISE OF OUR SPECIAL AUTHORITIES, TO IDENTIFY CERTAIN INITIAL STEPS WE HAVE TAKEN TO USE THESE AUTHORITIES IN NEW AND CREATIVE WAYS AND FINALLY TO EXPLORE WITH YOU THE DIRECTION IN WHICH I FEEL WE

25X1 MUST HEAD.



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GUIDING PRINCIPLES:

EVERY SUCCESSFUL ORGANIZATION HAS A BELIEF SYSTEM, A CULTURE WHICH DEFINES ITS PLACE IN THE UNIVERSE AND WHICH ENCOURAGES PEOPLE TO WANT TO BECOME AND REMAIN A PART OF THAT ORGANIZATION. I AM SURE, FOR EXAMPLE, THAT YOU HAVE SEEN OUR CREDO BUT I THINK YOU CAN BOIL DOWN OUR BELIEF SYSTEM TO

25X1 THREE CLUSTERS OF IDEAS.

FIRST, OUR PEOPLE BELIEVE WE ARE THE BEST INTELLIGENCE ORGANIZATION IN THE

25X1 WORLD. WE ARE APOLITICAL BUT WE ARE POLICY RELEVANT.

SECOND, AS AN INSTITUTION, WE BELIEVE THAT PEOPLE ARE OUR MOST IMPORTANT RESOURCE. WE ARE A FAMILY AND WE TAKE CARE OF OUR PEOPLE. WE ARE A MERITOCRACY AND WE BELIEVE THAT THE INDIVIDUAL EMPLOYEE MAKES A DIFFERENCE, SO

25X1 WE VALUE THE VIRTUOSO PERFORMER AND WE REWARD THOSE WHO PRODUCE.

AND THIRD, WE ARE A CAN-DO ORGANIZATION. WE ACCOMPLISH THE MISSION AND MEET THE CHALLENGE. WE ARE FORWARD LEANING, FLEXIBLE AND LESS BUREAUCRATIC.

25X1

WE MUST PERPETUATE THIS CULTURE. OUR HUMAN RESOURCE MANAGEMENT SYSTEM, THEREFORE, MUST SAFEGUARD THESE CENTRAL BELIEFS YET BE SUFFICIENTLY FLEXIBLE TO MEET THE CHALLENGES OF THE DECADES AHEAD. LET ME TOUCH UPON A FEW OF THESE CHALLENGES:

- THE AGENCY MISSION HAS EXPANDED. THE INTELLIGENCE ISSUES WE DEAL WITH ARE DIFFERENT FROM, AND FAR MORE COMPLEX THAN, THOSE WE HAVE TACKLED IN THE PAST. THE NUMBER OF OUR CONSUMERS LIKEWISE HAS GROWN. WE NOW MUST SERVE SUCH ELEMENTS OF THE GOVERNMENT AS THE DEPARTMENTS OF



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ENERGY, TREASURY, AND COMMERCE; NASA, THE ARMS CONTROL NEGOTIATORS, THE SPECIAL TRADE REPRESENTATIVES, YOUR OWN JOINT ECONOMIC COMMITTEE AND SO FORTH.

- TO ACCOMPLISH OUR TASK WE REQUIRE TEAMS OF EXPERTS FROM A VARIETY OF ANALYTICAL AND COLLECTION FIELDS, EACH CONTRIBUTING SPECIAL SKILLS AND KNOWLEDGE. WE ALREADY FACE KEEN COMPETITION FOR THESE HIGHLY SKILLED, EDUCATED AND TALENTED PEOPLE AND FIND IT DIFFICULT TO OBTAIN THE ETHNIC AND LINGUISTIC MIX WHICH IS ESSENTIAL TO OUR BUSINESS.
- LOOKING TO THE FUTURE, WE ARE TOLD THAT THE BABY-BOOM GENERATION ALREADY HAS ENTERED THE LABOR MARKET AND THE GROUP BEHIND THEM IS MUCH SMALLER IN SIZE, SO THE COMPETITION FOR TALENT IN THIS EMERGING WORK FORCE IS GOING TO INCREASE FURTHER.
- WE INCREASINGLY FIND THAT OUR PEOPLE, ONCE ON BOARD AND POSSESSING SPECIALIZED CLEARANCES AND ACCESS, ARE HIGHLY ATTRACTED TO THE PRIVATE SECTOR; PARTICULARLY THOSE WHO HAVE TECHNICAL OR REGIONAL SKILLS OR OVERSEAS EXPERIENCE.
- DUAL-CAREER COUPLES AND SINGLE-PARENT FAMILIES WILL BE THE NORM, MAKING THE MOBILITY REQUIRED FOR MANY CIA OCCUPATIONS DIFFICULT. IN ADDITION, TERRORIST ACTIONS OVERSEAS HAVE CLEARLY LOWERED INTEREST IN WORKING ABROAD, MUCH LESS IN JEOPARDIZING FAMILIES FURTHER BY WORKING FOR AN INTELLIGENCE ORGANIZATION.
- THE AMERICAN EDUCATION SYSTEM IN THE LAST TWO DECADES HAS DONE AN EXCELLENT JOB OF PRODUCING HIGHLY EDUCATED, TECHNOLOGICALLY COMPETENT GRADUATES, BUT HAS GIVEN FAR LESS EMPHASIS TO LANGUAGES, INTERNATIONAL RELATIONS AND POLITICS, AREAS IN WHICH WE EARN OUR BREAD AND BUTTER.



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(A TEST OF THIS TREND WOULD BE FOR YOU TO ASK SOME OF YOUR CHILDREN A BASIC GEOGRAPHY QUESTION.)

- AND IF THIS WERE NOT ENOUGH, THE TECHNOLOGY IS CHANGING SO RAPIDLY IN SO MANY FIELDS THAT GRADUATES SIX - EIGHT YEARS OUT OF SCHOOL MAY NEED TO BE RETRAINED TO STAY AT THE CUTTING EDGE IN THEIR DISCIPLINES.

25X1 [redacted]

ALL OF THIS IS OCCURRING IN AN ENVIRONMENT IN WHICH FEDERAL EMPLOYMENT IS INFREQUENTLY PORTRAYED AS PARTICULARLY WORTHY OR HIGHLY VALUED, AND THE LOW ESTEEM IN WHICH CIVIL SERVANTS ARE HELD IS NOT SIMPLY A MATTER OF RHETORIC. THERE IS THE EVEN HARSHER REALITY OF A STAGNATING AND EVEN DECLINING SALARY AND BENEFIT STRUCTURE FOR FEDERAL WORKERS.

25X1 [redacted]

HISTORIC USE OF DCI AUTHORITIES:

AT CIA, RIGHT FROM THE BEGINNING, THE DCI HAD THE AUTHORITIES TO CREATE A PERSONNEL SYSTEM TO ENABLE HIM TO MEET THE UNIQUE DEMANDS OF THE INTELLIGENCE PROFESSION. BUT AS YOU KNOW, FOR MOST OF OUR HISTORY, WE FELT WE COULD ACCOMPLISH OUR MISSION AND MOTIVATE OUR PEOPLE WITHIN THE BROAD CONTOURS OF THE OVERALL GOVERNMENT PERSONNEL STRUCTURE. AND SO, AS A MATTER OF CHOICE WE BASICALLY FOLLOWED TITLE 5 RULES ON PAY, LEAVE, OVERTIME, STEP INCREASES, AND INCENTIVE AWARDS. INDEED, WE ADOPTED THE GENERAL SCHEDULE (GS) PAY SCALE AND GS GRADE STRUCTURE.

25X1 [redacted]

MORE RECENTLY, WE RECOGNIZED THAT CERTAIN CHANGES WERE REQUIRED AND WE INVOKED OUR SPECIAL AUTHORITIES TO IMPROVE OUR HUMAN RESOURCE MANAGEMENT. WE HAVE IMPLEMENTED:



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- SPECIAL AGENCY-SPECIFIC PAY SCHEDULES FOR SCIENTISTS, ADP PROFESSIONALS, ENGINEERS, AND MEDICAL OFFICERS;
- A PAY BANDING EXPERIMENT IN OUR OFFICE OF COMMUNICATIONS;
- A NEW SECRETARIAL CAREER AND PAY SYSTEM WITH FOUR BROAD PAY LEVELS, MODIFIED PAY FOR PERFORMANCE, JOB ENRICHMENT AND SIGNIFICANTLY INCREASED TRAINING;
- NON SUPERVISORY SPECIALIST TRACKS FOR A LIMITED NUMBER OF PROFESSIONS AND POSITIONS;
- OVERSEAS PAY THAT IS 9.6% HIGHER THAN DOMESTIC; AND
- AN EMPLOYEE SPOUSE PROGRAM FACILITATING JOINT ASSIGNMENTS AS WELL AS GUARANTEEING REEMPLOYMENT AT CURRENT GRADE ON RETURN TO DUTY WHEN JOINT ASSIGNMENTS CANNOT BE ARRANGED.

25X1 [redacted]

WHILE THESE INITIATIVES ARE BENEFICIAL MOVES IN THE RIGHT DIRECTION, THEY ARE ONLY BAND AIDS. THEIR CUMULATIVE EFFECT IS NOT SUFFICIENT TO MEET THE

25X1 CHALLENGES OF THE FUTURE. [redacted]

FUTURE DIRECTIONS:

OVER THE NEXT COUPLE OF YEARS WE WILL UNDERTAKE A NUMBER OF SIGNIFICANT INITIATIVES TO IMPROVE OUR PERSONNEL SYSTEM. I PROPOSE TO:

1. REPLACE THE CURRENT AND RATHER INFLEXIBLE GS SYSTEM.

2. RETHINK THE CURRENT SET OF INCENTIVES, ALLOWANCES, AND OTHER BENEFITS SO THAT WE HAVE AVAILABLE A MORE FLEXIBLE, "CAFETERIA-STYLE" COMPENSATION PACKAGE, WHICH TAKES INTO ACCOUNT THE NEEDS OF OUR EMPLOYEES AT DIFFERENT STAGES OF THEIR LIVES AND CAREERS.



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3. REDESIGN A CAREER DEVELOPMENT PROGRAM TO CLEARLY ALLOW FOR SPECIALIST AND MANAGEMENT TRACKS.

- WE NEED TO ENCOURAGE TECHNICAL AND SUBSTANTIVE EXPERTS WHO DON'T GO INTO MANAGEMENT TO STAY WITH CIA.
- WE ALSO NEED TO DEVELOP A NEW GENERATION OF MIDDLE AND SENIOR MANAGERS WHOSE BREADTH OF EXPERIENCE AND VISION WILL ALLOW US TO CAPITALIZE ON NEW INTELLIGENCE OPPORTUNITIES, EXPLOIT EMERGING TECHNOLOGIES, AND BRING TO BEAR GREATER INTERDISCIPLINARY SYNERGISM ON THE MORE COMPLEX COLLECTION AND ANALYTICAL PROBLEMS WE WILL FACE.

4. REVITALIZE OUR TRAINING PROGRAM, TIEING IT TO OUR COMPENSATION SYSTEM, NOT ONLY TO MAINTAIN EXISTING SKILL LEVELS IN A RAPIDLY CHANGING TECHNOLOGICAL ENVIRONMENT BUT ALSO TO GIVE EFFECT TO OUR PERSONNEL PLANNING, WHICH INCREASINGLY WILL MEAN THE ANALYSIS OF OUR CURRENT SKILLS MIX IN THE CONTEXT OF FUTURE NEEDS AND THEN RETRAINING OUR EMPLOYEES. 25X1

LET ME EXPAND ON EACH OF THESE POINTS:

ALTERNATIVE PAY SYSTEMS:

WHILE SALARY AND BENEFITS PACKAGES ALONE WILL NOT ENSURE OUR ATTRACTING HIGHLY MOTIVATED AND PROFESSIONALLY ABLE PARTICIPANTS, THEY WILL, COUPLED WITH A CHALLENGING WORK ENVIRONMENT FORM THE UNDERPINNINGS OF OUR RECRUITMENT EFFORTS. WE MUST BE COMPETITIVE WITHIN THE MARKETPLACE. TO THIS END, I PROPOSE TO ESTABLISH AN AGENCY UNIQUE PAY AND ALLOWANCE STRUCTURE WHICH WILL BE SECOND TO NONE IN THE U.S. GOVERNMENT. THIS SYSTEM WILL EXPAND UPON THOSE



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INNOVATIVE COMPENSATION PLANS CURRENTLY ENFORCE WITHIN THE AGENCY'S OFFICE OF COMMUNICATIONS AND ITS SECRETARIAL FIELD. (SEE SINGLE PAGE ATTACHMENT.) I BELIEVE THIS WILL ALLOW THE AGENCY TO PROVIDE THE COMPENSATION PACKAGE NECESSARY TO RECRUIT AND RETAIN THOSE CRITICAL SKILLS WE REQUIRE WITHIN OUR MULTI-DIMENSIONAL WORKFORCE.

25X1

IN ADDITION TO PROVIDING PROPER COMPENSATION, I INTEND TO RESHAPE THE ENTIRE RECRUITMENT PROCESS TO MAKE IT MORE RESPONSIVE TO OUR EVER CHANGING ENVIRONMENT. I SPECIFICALLY PLAN TO MODEL THIS PROCESS THROUGH THE OFFICES OF PERSONNEL, SECURITY, MEDICAL SERVICES, AND TRAINING TO IMPROVE ITS FLEXIBILITY, PRODUCTIVITY, AND ACCOUNTABILITY TO MANAGEMENT. WE WILL REDUCE THE CURRENTLY LENGTHY PROCESSING TIME WITHOUT SACRIFICING OUR ESTABLISHED HIGH STANDARDS. FURTHER TO THIS END, I HAVE UNDERWAY A COMPLETE REVIEW OF THE APPLICANT POLYGRAPH PROCESS TO ENSURE THAT THIS CRITICAL AREA OF OUR SECURITY PERSONNEL SYSTEM IS SENSITIZED TO THE APPLICANT POOL AVAILABLE FOR THE 1990s.

25X1

FLEXIBLE BENEFITS AND ALLOWANCES:

AS I LOOK TO THE FUTURE, I SEE A NEED TO BUILD IN GREATER FLEXIBILITY TO HIRE THE DIFFERENT TYPES OF PEOPLE WE WILL NEED. FOR EXAMPLE, THERE IS A PLACE IN OUR ORGANIZATION FOR THE ACCOMPLISHED INDIVIDUAL COMING TO US IN MID-LIFE AFTER A SUCCESSFUL FIRST CAREER. NATURALLY, THE BENEFITS PACKAGE WE NEED TO OFFER SUCH AN INDIVIDUAL IS GOING TO BE VERY DIFFERENT FROM THAT WHICH WE WOULD WANT TO OFFER A NEW EMPLOYEE FRESH OUT OF COLLEGE. AND EVEN LOOKING



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AT OUR PRESENT WORK FORCE, I WOULD SUGGEST THAT OUR EMPLOYEES, THE MAJORITY OF WHOM ARE UNDER 40 YEARS OF AGE, WITH FEWER DEPENDENTS AND AN INCREASED LIFE EXPECTANCY COMPARED TO THEIR PREDECESSORS, HAVE DIFFERENT NEEDS AND DESIRE DIFFERENT BENEFITS THAN DID THEIR PARENT'S GENERATION. EVEN WORKING WITHIN A CLEAR BUDGETARY BOTTOM-LINE, WE OUGHT TO BE ABLE TO CHANGE THE MIX OF LEAVE, INSURANCE, AND OTHER ELEMENTS WITHIN THE TOTAL COMPENSATION PACKAGE TO TAKE INTO ACCOUNT THE CHANGING NEEDS OF OUR EMPLOYEES FROM GENERATION TO

25X1 GENERATION, AND EVEN DURING THE COURSE OF A CAREER.

DUAL CAREER TRACKS :

MY EMPHASIS ON SPECIALIST AND MANAGEMENT TRACKS DERIVES FROM THE FACT THAT OVER THE YEARS OUR STRENGTH AS AN AGENCY HAS BEEN A DIRECT RESULT OF OUR ABILITY TO DEVELOP AND RETAIN A LARGE CORPS OF EXPERTS WHO STAY WITH US ON A

25X1 CAREER BASIS.

WE WILL CONTINUE TO USE INDEPENDENT CONTRACTORS AND CONTRACTOR FIRMS TO ASSIST US IN VARIOUS OF OUR FUNCTIONS, BUT THEY ARE NO SUBSTITUTE FOR A CAREER WORK FORCE WHICH POSSESSES AN INSTITUTIONAL MEMORY, A BROAD BASE OF EXPERIENCE

25X1 AND A HIGH DEGREE OF SUBSTANTIVE DEPTH.

MANAGING SPECIALISTS IS SOMEWHAT OF AN ART BECAUSE, PARTICULARLY IN THESE CHANGING TIMES, TOO MANY NARROWLY FOCUSED, OVERSPECIALIZED PEOPLE ARE AS MUCH A PROBLEM AS TOO MANY GENERALISTS. WE FOUND THAT WE COULD NOT AFFORD VERY MANY PEOPLE WHO WOULD SPEND THEIR ENTIRE CAREER ON SOME BACKWATER, BUT WE ALSO ESCHEWED THE STAFFING APPROACH OF SOME ORGANIZATIONS WHICH MOVE PEOPLE FROM SPECIALTY TO SPECIALTY EVERY COUPLE OF YEARS, THUS TRADING DEPTH OF EXPERTISE



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FOR BREADTH OF EXPERIENCE. INSTEAD, WE HAVE DEVELOPED OUR PEOPLE WITHIN A NUMBER OF SPECIALIST CONES, BROAD ENOUGH, FOR EXAMPLE, TO PRODUCE CASE OFFICERS AND ANALYSTS ABLE TO GO WHERE THEY WERE NEEDED BUT TRULY EXPERTS IN THEIR TRADE. 25X1

ONE OF OUR PROBLEMS HAS BEEN THAT TRADITIONAL CAREER PATTERNS HAVE FORCED SUBSTANTIVE EXPERTS TO BECOME MANAGERS. SOMETIMES WE TURN SUPERB SPECIALISTS INTO MODERATELY TALENTED MANAGERS. OTHERS, UNWILLING OR UNQUALIFIED TO BECOME MANAGERS, BECOME UNDERSTANDABLY FRUSTRATED AND SOME LEAVE THE AGENCY TO WORK AT ENHANCED PAY IN THE PRIVATE SECTOR. SOME EVEN COME BACK AS CONTRACTOR EMPLOYEES TO WORK ON AGENCY PROJECTS. THIS SITUATION IS TROUBLESOME, ESPECIALLY WHEN WE CONSIDER THAT OUR LONG-TERM EXPERIENCE BASE HAS BEEN GRADUALLY BUT STEADILY SHRINKING. IN 1976, 14% OF OUR PEOPLE HAD LESS THAN THREE YEARS OF CIA EXPERIENCE, BY 1981 THIS NUMBER HAD RISEN TO 16% AND BY THE BEGINNING OF FY 86, 23% OF OUR EMPLOYEES HAD LESS THAN THREE YEARS WITH THE AGENCY. TO SOME EXTENT THIS REFLECTS THE RAPID GROWTH IN CIA, PARTICULARLY IN THE 1981-1986 TIMEFRAME, WHEN AGENCY PERSONNEL GREW 21%. HOWEVER, THE GROWING COMPETITION FOR SPECIALISTS IN CERTAIN FIELDS MAY EXACERBATE THIS TREND UNLESS WE ARE BETTER ABLE TO REWARD THOSE WHO DO NOT GO INTO MANAGEMENT. 25X1

NO LESS IMPORTANT, PARTICULARLY IN A TIME OF RESOURCE CONSTRAINTS, IS OUR NEED TO IDENTIFY AND DEVELOP A SKILLED MANAGEMENT CADRE. MANAGERS MUST CREATE ENVIRONMENTS THAT DEVELOP LOYALTY AND MOTIVATE EMPLOYEES TO PERFORM AT THEIR HIGHEST POTENTIAL. IN ADDITION, OUR MANAGERS MUST BE CAPABLE OF INTEGRATING HUMAN RESOURCE PLANNING WITH PROGRAM PLANNING AND DEALING WITH THE GROWING COMPLEXITIES OF INTEGRATING THE RESOURCE REQUIREMENTS OF MULTIFACETED COLLECTION, PROCESSING AND ANALYTIC ACTIVITIES. WE ALSO KNOW THAT THE



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MANAGEMENT FUNCTION IS GOING TO BE VITALLY IMPORTANT IN IDENTIFYING PERSONNEL REQUIREMENTS FOR THE FUTURE AND IN PLANNING TRAINING AND ASSIGNMENTS TO ENSURE

25X1 EFFECTIVE CAREER DEVELOPMENT AND SUCCESSION PLANNING.

EARLY IDENTIFICATION OF OUR MANAGEMENT CADRE COMBINED WITH A SIGNIFICANT EXPERIENTIAL ASSIGNMENT PROCESS WILL SERVE TO ENHANCE MANAGEMENT AND PLANNING CAPABILITIES; AND, WITH A SUFFICIENT CADRE OF EXPERIENCED MANAGERS, WE WILL BE ABLE TO KEEP SUBSTANTIVE EXPERTS WHERE THEY CAN MAKE THEIR MAXIMUM

25X1 CONTRIBUTION TO THE ORGANIZATION.

TRAINING:

FINALLY, WE NEED TO FOCUS ON TRAINING, BECAUSE NO MATTER HOW GOOD OUR PERSONNEL PLANNING, THE PEOPLE WE HIRE IN THE 1980'S ARE UNLIKELY TO HAVE THE MIX OF SKILLS WE WILL NEED IN THE 1990'S. INDEED, OUR YOUNG PEOPLE ARE LEARNING WHAT MANY OF THEIR SENIORS HAVE KNOWN FOR SOME TIME--THAT THE HALF-LIFE OF ONE'S SKILLS, PARTICULARLY IN THE TECHNICAL AREA MAY BE LESS THAN SIX- EIGHT YEARS. WHAT THIS MEANS IS THAT WHETHER WE ARE TALKING ABOUT SKILLS MAINTENANCE OR RETRAINING, EDUCATION IS GOING TO BE A CONSTANT FOR OUR

25X1 PROFESSIONAL WORK FORCE.

TRAINING IS IMPORTANT FOR ANOTHER REASON. GIVEN THE MULTIDISCIPLINARY NATURE OF OUR TASKING AND THE NEED TO SHIFT OUR WORK FORCE TO ACCOMMODATE RAPIDLY CHANGING WORLD EVENTS, WE MUST DEVELOP A CADRE OF PERSONNEL WHO ARE NOT JUST FUNCTIONAL SPECIALISTS, BUT WHO ARE PRIMARILY INTELLIGENCE OFFICERS. INDEED, YOU MIGHT SAY THAT IN A PERSONNEL SENSE OUR MISSION IS TO TAKE POLITICAL SCIENTISTS, COMPUTER SCIENTISTS, AND PHYSICAL SCIENTISTS AND, TO



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SOME EXTENT, CHANGE THEIR FOCUS FROM BEING, FOR EXAMPLE, A SCIENTIST WHO HAPPENS TO WORK AT CIA TO AN INTELLIGENCE OFFICER WHO HAPPENS TO BE A

25X1 SCIENTIST.

THIS IS NOT TOTALLY OUT OF THE QUESTION BECAUSE WE ARE TOLD THAT, ON AVERAGE, OVER THE COURSE OF ONE'S WORK, LIFE PEOPLE CHANGE CAREER FIELDS TWO - THREE TIMES AND CHANGE EMPLOYERS FOUR - FIVE TIMES. SINCE WE TEND TO HIRE MULTIFACETED, MULTITALENTED PEOPLE, WE CAN EXPECT OUR EMPLOYEES TO BE SUSCEPTIBLE TO SIMILAR CAREER MIGRATIONS; AND IF WE WANT TO KEEP A CAREER WORK FORCE, WE WILL NEED TO PROVIDE THEM WITH OPPORTUNITIES TO CHANGE CAREER FIELDS

25X1 WITHOUT LEAVING CIA.

AT THE CENTER OF OUR THINKING, AS WE EXPLORE THESE AND OTHER INITIATIVES, IS THE REALIZATION THAT, HOWEVER WE IMPROVE OUR SYSTEM, THE GOVERNMENT GENERALLY IS NOT GOING TO BE ABLE TO OUTBID THE PRIVATE SECTOR. MOREOVER, OUR EMPLOYEES HAVE NEVER COME TO OR STAYED WITH CIA SOLELY BECAUSE OF PAY AND BENEFITS. IT IS THE IMPORTANT AND EXCITING MISSION WHICH ATTRACTS THEM. IT

25X1 IS THE SENSE OF ACCOMPLISHMENT AND RESPONSIBILITY WHICH KEEPS THEM HERE.

EVERYTHING I HAVE TALKED ABOUT RELATES TO OUR ABILITY TO MAINTAIN A HIGH LEVEL OF JOB SATISFACTION, AND THAT MEANS GIVING OUR EMPLOYEES THE TRAINING AND TOOLS THEY NEED TO DO THE JOB AND MAKING THEM FEEL THAT THEY ARE SPECIAL. WE CONSTANTLY SEEM TO BE RATCHETING UP THE EDUCATIONAL AND SKILL REQUIREMENTS AND INCREASING THE LIFESTYLE AND SECURITY CONSTRAINTS, YET THE CONTINUED DEDICATION AND ENTHUSIASM OF OUR PEOPLE CAN BE SEEN IN A CULTURE WHICH FORFEITS OVER 100,000 HOURS OF ANNUAL LEAVE EACH YEAR AND AN OFFICER CORPS

25X1 WHICH ROUTINELY FAILS TO PUT IN FOR OVERTIME FOR DOING THE JOB.

THIS IS NOT SOMETHING WHICH CAN BE SUSTAINED BY EFFORTS TO HOMOGENIZE THE



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CIA INTO THE REST OF THE GOVERNMENT OR EVEN TO MAKE CIA LOOK EXACTLY LIKE THE OTHER COMMUNITY AGENCIES. I BELIEVE THAT EACH AGENCY SHOULD HAVE THE AUTHORITIES IT REQUIRES TO BUILD AND MAINTAIN A SYSTEM WHICH WILL BE ATTRACTIVE TO ITS CAREER CADRE AND WHICH WILL ENSURE THE HIGH QUALITY STAFF WHICH IS EXPECTED IN OUR BUSINESS. BUT IT WOULD BE A MISTAKE TO ERASE THE FUNDAMENTAL DIFFERENCES IN CULTURE AND AMBIENCE. WHILE EACH OF US WITHIN THE INTELLIGENCE COMMUNITY WILL BE LEARNING FROM EACH OTHER, THE DIFFERENT PERSONNEL EXPERIMENTS AND DEMONSTRATION PROJECTS IN OUR RESPECTIVE AGENCIES REPRESENT HEALTHY EFFORTS TO BUILD TOWARD THE FUTURE WHILE PRESERVING OUR

25X1 ESSENTIAL CULTURES.

NO REVIEW OF THE AGENCY'S PERSONNEL SYSTEM WOULD BE COMPLETE WITHOUT SETTING IN PLACE MECHANISMS TO ASSIST THOSE EMPLOYEES WHO MAY FIND THEMSELVES LIVING "ON THE MARGIN." THIS IS A SENSITIVE TOPIC AND ONE WHICH CONCERNS ALL MANAGERS BUT IS MUCH MORE SOBERING IN A NATIONAL SECURITY ENVIRONMENT. I PLAN TO INTRODUCE SHORTLY A SERIES OF INITIATIVES, UNOBTRUSIVELY AND COMPASSIONATE IN OUTLOOK, WHICH WILL IDENTIFY AND ASSIST THOSE EMPLOYEES WHO MAY FIND

25X1 THEMSELVES IN DIFFICULTY.

FROM MY PERSPECTIVE, THEREFORE, YOUR SURVEY OF OUR PERSONNEL NEEDS COULD NOT BE MORE TIMELY, AND WE WILL WANT TO WORK CLOSELY TOGETHER TO SEE HOW WE MIGHT USE OUR EXISTING AUTHORITIES, AND OBTAIN ANY ADDITIONAL AUTHORITIES WHICH MIGHT BE REQUIRED, TO IMPROVE OUR HUMAN RESOURCE MANAGEMENT SYSTEM SO THAT WE CAN CONTINUE TO PROVIDE OUR COUNTRY WITH THE BEST INTELLIGENCE

25X1 PROFESSIONALS IN THE WORLD.

ATTACHMENT



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ATTACHMENT

**In the past two years the Agency has undertaken two significant experiments in alternative pay systems.**

The first is our Office of Communications and applies to the telecommunications officers and electronic technicians who support our world-wide intelligence collection and reporting system. This was an occupation troubled by low morale and attrition. The new program, which established a new pay system outside the General Schedule and which allows the individual manager to reward excellence through pay increases or cash bonuses, has dramatically improved morale in the office and has resulted in lower attrition. From the employee's perspective, there is the knowledge that one will be monetarily recognized for performance even if at the top end of the pay level. From management's perspective, the system places accountability at the supervisory level for pay decisions. This is not a give-away program, but rather an effort to enable managers to use their financial resources more efficiently. Each manager knows the limit of his payroll funds, and is required to divide the pie up so that the most deserving receive the largest rewards. The imposition of the budgetary constraints on the program has also allowed us to establish a greatly simplified position classification structure. We now have half a dozen generic position descriptions instead of hundreds. As a result, we have greatly reduced the time involved in reviewing individual jobs. Finally, management can now make assignments anywhere in the world based on the requirements of the operational situation without having to waste unnecessary time in bureaucratic adjustments to the position structure.

The secretarial experiment is somewhat different from the Office of Communications experiment, though the objectives are similar. This program is a bold new experiment in job design. There was unacceptable attrition out of the career track either by leaving the Agency or transferring to another track. Secretaries in the Agency had bleak career prospects. The old system, based on the General Schedule, simply did not allow them to develop their skills, gain job satisfaction, and receive appropriate financial recognition. Our secretaries are critical to the accomplishment of the mission. Because of their access to the most sensitive information, we want to keep them in the occupation and the Agency as long as possible. The new secretarial pay system is intended to completely restructure the nature of secretarial work in the Agency by looking at individual jobs to increase the level of responsibility and allow upward mobility within the occupation. Over the next four years, individual managers will work with their secretaries to redesign and expand their jobs, and provide them training to reach higher levels of performance. An ancillary benefit is that as secretarial duties expand, officers will have more time to put to their main assignments. Again, as with the Office of Communications program, the secretarial program focuses on performance. Through the use of annual employee evaluations and a cash performance award system, the best can expect to receive the most.

25X1



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